

**AMENDED MINUTES
ROCKFORD POLICE PENSION BOARD
APRIL 21, 2016**

MEMBERS PRESENT: Jeff Nielsen, President
Marcia Mueller, V.P.
Joe Stevens, Secretary
Paul Swanberg, Assist. Secretary
Scott Laue, Trustee

ABSENT:

ALSO PRESENT: Roberta Holzwarth - Holmstrom & Kennedy
Mike Piotrowski – Marquette Associates

GUESTS: None

STAFF: Linda Wlaznik, Finance
Patrick Hayes, Legal Director

The April 21, 2016 Rockford Police Pension Board convened at City Hall 425 E. State St., Jeff Nielsen called the meeting to order at 8:13 a.m.

Motion by Mueller and seconded by Laue to approve the March 17, 2016 minutes of the Board meeting as amended. APPROVED.

PUBLIC COMMENT

NONE

CASH & INVESTMENT REPORT

Piotrowski provided the board members with the police pension flash report; in May the board will receive the full 1Q16 report. The pension fund assets are currently \$171.8 million at the end of the first quarter. Kayne Anderson Rudnick continues to perform well in a down market. Year to date emerging markets have significantly outperformed developed markets. Both the U.S. Equity Composite and International Equity Composite are outperforming the overall broad markets. The Vanguard REIT Index Fund was up 10% for the month. There is currently no need to rebalance the portfolio.

Motion by Mueller and seconded by Laue to approve withdrawal of \$150,000 from Kayne Anderson Rudnick for cash needs. APPROVED.

Ayes: Nielsen, Mueller, Stevens, Swanberg, and Laue
Nays: None

Motion by Mueller and seconded by Laue to approve purchases and sales. APPROVED.

Ayes: Nielsen, Mueller, Stevens, Swanberg, and Laue
Nays: None

CITY BILLS

Motion by Mueller and seconded by Laue to approve April City Services of \$8,875.25. APPROVED.

Ayes: Nielsen, Mueller, Stevens, Swanberg, and Laue

Nays: None

Motion by Mueller and seconded by Laue to approve March postage charges of \$272.29. APPROVED.

Ayes: Nielsen, Mueller, Stevens, Swanberg, and Laue

Nays: None

Motion by Mueller and seconded by Laue to approve payment to Holmstrom Kennedy PC for March attorney fees for general in the amount of \$1,608.75. APPROVED.

Ayes: Nielsen, Mueller, Stevens, Swanberg, and Laue

Nays: None

Motion by Mueller and seconded by Laue to approve payment to Holmstrom Kennedy PC for attorney fees for services regarding the Susan Bubik disability matter in the amount of \$4,521.52 which includes \$4,162.50 for services and \$359.02 for disbursements. APPROVED.

Ayes: Nielsen, Mueller, Stevens, Swanberg, and Laue

Nays: None

Motion by Mueller and seconded by Laue to approve payment to Kayne Anderson Rudnick for Investment management fees from January 1, 2016 through March 31, 2016 in the amount of \$29,876.00. APPROVED.

Ayes: Nielsen, Mueller, Stevens, Swanberg, and Laue

Nays: None

ATTORNEY'S REPORT

Attorney Holzwarth stated that she met with Carolyn Clifford, Attorney for the Fire Pension Board, and Patrick Hayes, Legal Director, last Friday to discuss the actuarial services. The recommendation was made to keep the current actuary, Tim Sharpe. The assumptions used by Mr. Sharpe are consistent and compliant with the pension code. Mr. Hayes stated that if and when a new actuary was hired, the actuary would perform a fundamental review of the previous years to ensure the computations were correct. **In discussing the state of the City's finances**, the City was informed that the corporate replacement tax was miscalculated which resulted in an overpayment of nearly \$1 million. The City is obligated to repay the overpayment back.

Attorney Holzwarth stated that Attorney Clifford had previously issued a RFP for other clients and received four responses from other actuary's willing to provide services in the state of Illinois. Mr. Hayes stated that if he felt Mr. Sharpe's methodology was incorrect he would have recommended proceeding with a RFP.

Attorney Holzwarth stated Officer Bubik has clarified that her disability is chemotherapy induced peripheral neuropathy. Attorney Holzwarth presented the board with two options: 1) a psychiatrist would evaluate the cognitive issues and a neurologist or 2) a neurologist and ask them to opine if an additional opinion is needed from a neuro psychologist.

Motion by Mueller and seconded by Laue to approve Dr. Koehne for the evaluation of Officer Susan Bubik. APPROVED.

Ayes: Nielsen, Mueller, Stevens, Swanberg, and Laue

Nays: None

Motion by Mueller and seconded by Laue to approve Drs. Kramer, Itkins, Soriano, with preference of Soriano, but allow attorneys to choose based on first available. APPROVED.

Ayes: Nielsen, Mueller, Stevens, Swanberg, and Laue

Nays: None

The board briefly discussed the overpayment of pension benefits to Elsie Jean Forsyth.

OLD BUSINESS

Motion by Mueller and seconded by Stevens to accept by **acclamation** the nomination of Jeff Nielsen as the retired trustee for the Police Pension Board. APPROVED.

Ayes: Mueller, Stevens, Swanberg, and Laue

Nays: None

Abstain: Nielsen

NEW BUSINESS

Motion by Mueller and seconded by Laue to approve the pension for Bruce Brannum commencing on April 13, 2016 for a monthly benefit of \$4,337.40/\$52,048.75 annually, with a first prorated benefit of \$2,602.44. The Board retains jurisdiction of this matter for purposes of enforcing the Pension Code. APPROVED.

Ayes: Nielsen, Mueller, Stevens, Swanberg, and Laue

Nays: None

Motion by Mueller and seconded by Laue to approve the termination of pension benefits for Robert Cole in the amount of \$5,560.22, which includes terminating the amount payable to Jewel Cole under the QILDRO. The Board retains jurisdiction of this matter for purposes of enforcing the Pension Code. APPROVED.

Ayes: Nielsen, Mueller, Stevens, Swanberg, and Laue

Nays: None

Motion by Mueller and seconded by Laue to table the surviving spouse pension for Kay Yetterberg until the appropriate paperwork is received. APPROVED.

Ayes: Nielsen, Mueller, Stevens, Swanberg, and Laue

Nays: None

Motion by Mueller and seconded by Laue to approve the military buy back for Darren Foulker in the amount of \$44,254.42 for two years of service. The Board retains jurisdiction of this matter for purposes of enforcing the Pension Code. APPROVED.

Ayes: Nielsen, Mueller, Stevens, Swanberg, and Laue

Nays: None

Motion by Mueller and seconded by Laue to approve the list of new recruits (listed below) as participants in the Rockford Police Department pension fund. The Board retains jurisdiction of this matter for purposes of enforcing the Pension Code. APPROVED.

Ayes: Nielsen, Mueller, Stevens, Swanberg, and Laue

Nays: None

Last Name	First Name	Hire Date
ALFARO	OSCAR	06/22/2015
FISHER	ISAIAH	06/22/2015
HECKER	MATTHEW	06/22/2015
MAGNUSON	CORY	06/22/2015
RODRIGUEZ RUCOBA	PATRICIO	06/22/2015
SCHUSTER	BENJAMIN	06/22/2015
SHELBY	LADARION	06/22/2015
ALEXANDER	JHORDYNNE	09/21/2015
BARRON	JACOBY	09/21/2015
CARRENO	ROBERT	09/21/2015
DAVIDSON	LUCAS	09/21/2015
DELACY	MARK	09/21/2015
FRISBIE	ADAM	09/21/2015
PERONE	DUSTIN	09/21/2015
SHIPBAUGH	TIMOTHY	09/21/2015
RHINE	VINCENT	01/04/2016
ROMAN	EDWARD	01/04/2016
LAUER	BRADLEY	02/16/2016

Motion by Mueller and seconded by Laue to approve the application for Fiduciary liability insurance, subject to review and approval of counsel. APPROVED.

Ayes: Nielsen, Mueller, Stevens, Swanberg, and Laue

Nays: None

PAYROLL

Motion by Mueller and seconded by Laue to approve the April estimated payroll amount of \$1,311,361.18. The Board retains jurisdiction of this matter for purposes of enforcing the Pension Code. APPROVED.

Ayes: Nielsen, Mueller, Stevens, Swanberg, and Laue

Nays: None

Motion to adjourn was made and seconded at 9:57 a.m.

